

Message Text

UNCLASSIFIED

PAGE 01 TOKYO 03778 170849Z POSS DUPE
ACTION EB-08

INFO OCT-01 EA-09 ISO-00 COME-00 TRSE-00 CIAE-00 DODE-00
INR-07 NSAE-00 PA-02 USIA-15 PRS-01 SP-02 ITC-01
STR-04 FRB-01 /051 W
-----172121Z 076368 /62

R 170818Z MAR 77
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 6220

UNCLAS TOKYO 3778

E.O. 11652: N/A
TAGS: ETRD, JA
SUBJECT: INDUSTRY REACTIONS TO ITC COLOR TV RECOMMENDATIONS

REF: TOKYO 3419

1. JAPANESE COLOR TV MAKERS REACTED WITH EMOTIONALISM TO ITC RECOMMENDATIONS, ALL CLAIMING THAT ITC DECISION FOR TARIFF HIKE IS MORE SEVERE THAN NUMERICAL QUOTA RESTRICTIONS. ALL KINDS OF FIGURES ARE FLYING ABOUT, WITH SOME COMPANIES CLAIMING JAPANESE COLOR TV EXPORTS TO U.S. WILL DROP TO LESS THAN ONE MILLION SETS PER YEAR IF ITC RECOMMENDATIONS ARE IMPLEMENTED, AND PRICES OF SETS IN U.S. WILL INCREASE AS MUCH AS 40 PERCENT. FOLOWING INITIAL EXPRESSIONS OF OUTRAGE, JAPANESE BUSINESSMEN HAVE RETIRED TO THEIR CALCULATORS TO DETEMINE ACTUAL IMPACT ON THEIR OWN COMPANIES.

2. BIGGEST OUTBURSTS,AS EXPECTED, CAME FROM MAJOR EXPORTERS -- SANYO, SHARP, AND TOSHIBA -- WHO REPORTEDLY ACCOUNT FOOR 60PERCENT OF EXPORTS TO U.S. OTHER MANUFACTURERS SUCH AS SONY,VICTOR,AND MITSUBISHI ELECTRIC, WERE DISTURBED BY ITC'S OPTING FOR TARIFF HIKE. THESE COMPANIES STATE THEY ARE ALREADY SELLING IN U.S. AT PRICES EQUAL TO OR HIGHER THAN U.S. SETS, AND TARIFF HIKE WOULD PENALIZE THEM MORE THAN THE LOWER-PRICED "OFFENDERS" SUCH AS SANYO AND TOSHIBA.

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3. JAPANESE MAKERS ALL CLAIM THEY WILL LOSE PRICE COMPETITIVENESS IN U.S. MARKET AND THAT CONSUMERS AND MASS RETAILERS WILL SWITCH TO U.S.-MADE SETS. JAPAN PURCHASING MANAGER FOR MAJOR U.S. MASS RETAILER WAS NOT THIS PESSIMISTIC, HOWEVER, HE TOLD EMBOFF THAT ACTUAL IMPACT OF ITC TARRIF HIKE WILL DEPEND UPON U.S. DEMAND FOR COLOR TV'S AND CONSUMER PREFERENCES. HE ADDED, "IF JAPANESE MANUFACTURERS' ARGUMENTS ABOUT THEIR QUALITY, COMPETENCE IN SMALL

SCREEN SETS, AND PRODUCTION EFFICIENCY ARE REALLY TRUE, THEN THEY
SHOULDN'T HAVE TO WORRY TOO MUCH."

4. TOKYO STOCK MARKET TOOK ITC DECISION IN STRIDE, WITH ONLY
SONY CLOSING LOWER.
BUTTON

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TELEVISION EQUIPMENT, TARIFFS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770092-0268
Format: TEL
From: TOKYO
Handling Restrictions: n/a
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